

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|-------------------------------|---|-----------------|
| THE NOTICE OF BLUE GRASS |) | |
| RURAL ELECTRIC COOPERATIVE |) | |
| CORPORATION'S REVISION TO ITS |) | CASE NO. 89-327 |
| ELECTRIC POWER TARIFF |) | |

O R D E R

Before the Commission is the application of Blue Grass Rural Electric Cooperative Corporation ("Blue Grass") for approval of a revision to its electric power tariff. The application was filed as a result of a proposed decrease in power costs from Blue Grass's wholesale power supplier, East Kentucky Power Cooperative, Inc. ("EKPC").¹ The rates proposed by Blue Grass are intended to flow-through to its customers the scheduled power cost reduction from EKPC. Blue Grass's revised tariff was to have become effective December 1, 1989 but was suspended for a period of 5 months.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that:

1. EKPC, Blue Grass's wholesale power supplier, has been authorized to reduce its rates for wholesale electric power.

¹ Case No. 89-311, The Notice of East Kentucky Power Cooperative, Inc. of a Revision to Its Wholesale Power Tariff.

2. Blue Grass should be authorized to reduce its rates in order to effect a flow-through of the wholesale power cost reduction from EKPC.

3. The rates and charges in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable and will accomplish a flow-through of the power cost reduction from EKPC.

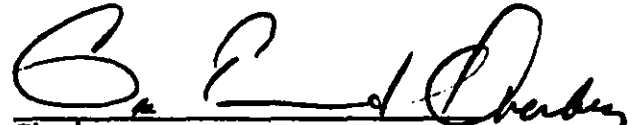
IT IS THEREFORE ORDERED that:

1. The rates and charges in Appendix A are approved for service rendered by Blue Grass on and after January 1, 1990.

2. Within 30 days from the date of this Order, Blue Grass shall file with the Commission its revised tariff sheets setting out the rates approved herein.

Done at Frankfort, Kentucky, this 4th day of January, 1990.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

Commissioner

ATTEST:

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 89-327 DATED 1/04/90

The following rates and charges are prescribed for the customers in the area served by Blue Grass Rural Electric Cooperative Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the date of this Order.

GS - 1 (RESIDENTIAL, FARM AND NON-FARM)

Rate:

| | | |
|----------|-------------------|------------------|
| First | 600 KWH Per Month | \$.06480 Per KWH |
| All Over | 600 KWH Per Month | .05443 Per KWH |

C-1 - COMMERCIAL AND INDUSTRIAL LIGHTING & POWER SERVICE

Energy Charge (Under 50 KW)

| | | |
|----------|-----------|------------------|
| First | 3,000 KWH | \$.06662 Per KWH |
| All Over | 3,000 KWH | .05201 Per KWH |

LP - #1 LARGE POWER

Rates:

Energy Charge (51-500 KW)

| | | |
|----------|-------------|------------------|
| First | 10,000 KWH | \$.04714 Per KWH |
| Next | 15,000 KWH | .04044 Per KWH |
| Next | 50,000 KWH | .03484 Per KWH |
| Next | 75,000 KWH | .03254 Per KWH |
| All Over | 150,000 KWH | .03084 Per KWH |

LP - #2 LARGE POWER

Rate:

Energy Charge (Over 500 KW)

| | | |
|----------|---------------|------------------|
| First | 3,500 KWH | \$.04797 Per KWH |
| Next | 6,500 KWH | .03970 Per KWH |
| Next | 140,000 KWH | .03457 Per KWH |
| Next | 200,000 KWH | .03302 Per KWH |
| Next | 400,000 KWH | .03210 Per KWH |
| Next | 550,000 KWH | .03118 Per KWH |
| All Over | 1,300,000 KWH | .02591 Per KWH |

SECURITY LIGHTS

Rate Per Light Per Month:

| | |
|---|--------|
| 175 Watt Mercury Vapor | \$4.89 |
| 400 Watt Mercury Vapor | 7.32 |
| 100 Watt High Pressure Sodium (Ornamental) | 6.66 |
| 100 Watt High Pressure Sodium | 5.05 |

STREET LIGHTING

Rate Per Light Per Month:

| | |
|--|--------|
| 175 Watt Mercury Vapor | \$4.89 |
| 400 Watt Mercury Vapor | 7.32 |
| 70 Watt High Pressure Sodium (ornamental) | 5.17 |
| 100 Watt High Pressure Sodium (ornamental) | 6.66 |
| 250 Watt High Pressure Sodium (ornamental) | 9.01 |
| 100 Watt High Pressure Sodium | 5.05 |

GS-2 OFF-PEAK RETAIL MARKETING RATE
(ETS)

Rate:

| | |
|-------------------|----------|
| All KWH Per Month | \$.03229 |
|-------------------|----------|